

What Repeal Really Means

The Administration recently released a set of talking points attempting to illustrate the negative impact of repealing the unpopular health care law.¹ Here are some facts and figures about the impact of repeal that the Obama Administration and Democrats have failed to mention:

- Repeal means that individual **health insurance premiums will not increase by the \$2,100 per family currently projected** as a result of the law.² Candidate Obama promised to cut insurance premiums by an average of \$2,500 per family,³ but the legislation he signed into law will result in massive premium increases due to all of its new mandates and federal regulations.
- Repeal means that **taxpayers will not face more than half a trillion dollars in tax increases** scheduled to take effect over the coming years. It also means that middle-class families will not face a new 40 percent tax on insurance policies the government will force them to buy, a tax that will hit more families over time and could eventually generate more revenue than the federal income tax.⁴
- Repeal means that **an estimated 750,000 employees will not choose to stop working** because of incentives included in the health care law. The CBO found that the law “will encourage some people to work fewer hours or to withdraw from the labor market,” and said that “on net, [the law] will reduce the amount of labor used in the economy.”⁵
- Repeal means that **half of all employers – and as many as 80 percent of small businesses – will not be forced to give up their current coverage within the next two years.** The Administration’s own estimates revealed that its onerous regulations could force most businesses to give up their current plans.⁶ What’s more, repeal will remove the financial incentives that could encourage employers to drop health insurance for their employees. One study found that the law could lead 35 million individuals to lose their current, employer-based coverage.⁷
- Repeal means that **7.4 million more seniors will participate in Medicare Advantage plans,** and so will not have to give up health care plans they have and like.⁸ In addition, **seniors in Medicare Advantage will receive extra benefits, meaning they will not face an average increase of \$873 per year in out-of-pocket costs** between now and 2019.⁹
- Repeal means that **more than 17 million seniors participating in Medicare Part D¹⁰ will not face higher premiums¹¹** so that the pharmaceutical industry can benefit from its “rock-solid deal” struck behind closed doors with President Obama and congressional Democrats.¹²
- Repeal means that **individuals will not be forced to buy government-defined health insurance** – a constitutionally dubious intrusion that gives the federal government massive new powers over all Americans.¹³
- Repeal means that **future generations of taxpayers will not be subject to budgetary gimmicks that the non-partisan Congressional Budget Office (CBO) views as “difficult to sustain for a long period.”¹⁴** While Democrats allege that the health care law will reduce the

deficit, the CBO and other independent experts have raised significant questions about the assumptions underpinning that claim, arguing that most of the major projected spending reductions are unsustainable. Medicare's chief actuary went so far as to present an alternative scenario outlining the law's true costs, because the official estimates included unrealistic savings provisions that the actuary believed will never take effect.¹⁵

- Repeal means that **states will not be forced to bear the burden of what a Democrat governor called the “mother of all unfunded mandates”**¹⁶ – another massive expansion of Medicaid at a time when states cannot afford their existing programs. Repealing this expansion also lessens the likelihood that states will have to impose tax increases to fund this new Medicaid mandate.

¹ “HHS outlines repercussions of repealing healthcare reform,” by Jason Millman, The Hill, Healthwatch blog, January 4, 2011, <http://thehill.com/images/stories/blogs/pricenational.pdf>

² Letter from CBO to Senator Bayh, November 30, 2009, <http://cbo.gov/ftpdocs/107xx/doc10781/11-30-Premiums.pdf>

³ “20 Promises for \$2,500: All Americans Now Await Lower Premiums Promised by Obama,” compilation of video clips at <http://www.youtube.com/watch?v=0yRc1GR9nO0>

⁴ “Democrats Have Increased Taxes by \$670 Billion and Counting,” fact sheet by House Ways and Means Republicans, April 14, 2010, <http://republicans.waysandmeans.house.gov/UploadedFiles/DemTaxIncreases1.pdf>

⁵ “The Budget and Economic Outlook: An Update,” CBO, August 2010, <http://cbo.gov/ftpdocs/117xx/doc11705/08-18-Update.pdf>

⁶ “Interim Final Rules for Group Health Plans and Health Insurance Coverage Relating to Status as a Grandfathered Health Plan Under the Patient Protection and Affordable Care Act,” Federal Register, June 17, 2010, <http://edocket.access.gpo.gov/2010/pdf/2010-14488.pdf>

⁷ “Labor Markets and Health Care Reform: New Results,” by Douglas Holtz-Eakin and Cameron Smith, American Action Forum, May 2010, http://americanactionforum.org/files/LaborMktsHCRAAF5-27-10.pdf?utm_source=&utm_medium=&utm_campaign=

⁸ Memo from the CMS Office of the Actuary, re: Estimated Financial Effects of the “Patient Protection and Affordable Care Act,” as Amended, April 22, 2010, http://www.cms.gov/ActuarialStudies/Downloads/PPACA_2010-04-22.pdf

⁹ Letter from the CMS Office of the Actuary to Senator Grassley, October 8, 2010, http://www.politico.com/static/PPM170_101012_grassleyresponse.html. The Heritage Foundation has detailed the impact of the health care law's Medicare Advantage cuts by congressional district, <http://www.heritage.org/Research/Reports/2010/09/Reductions-in-Medicare-Advantage-Payments-The-Impact-on-Seniors-by-Region>.

¹⁰ “Report to the Congress: Medicare Payment Policy,” Medicare Payment Advisory Commission, March 2010, http://medpac.gov/documents/Mar10_EntireReport.pdf

¹¹ Comparison of Projected Medicare Part D Premiums Under Current Law and Under Reconciliation Legislation Combined with H.R. 3590 as Passed by the Senate, CBO, March 19, 2010, <http://cbo.gov/ftpdocs/113xx/doc11379/Comparison.pdf>

¹² “White House Affirms Deal on Drug Cost,” by David Kirkpatrick, New York Times, August 5, 2009

¹³ “Years of Wrangling Ahead for Health Care Law,” by Kevin Sack, New York Times, December 13, 2010

¹⁴ “The Long-Term Budget Outlook,” Congressional Budget Office, June 2010, <http://cbo.gov/ftpdocs/115xx/doc11579/06-30-LTBO.pdf>

¹⁵ Memo from the CMS Office of the Actuary, re: Projected Medicare Expenditures under an Illustrative Scenario with Alternative Payment Updates to Medicare Providers, August 5, 2010, <http://www.cms.gov/ActuarialStudies/Downloads/2010TRAAlternativeScenario.pdf>

¹⁶ “Governors Fear Medicaid Costs in Health Plan,” by Kevin Sack and Robert Pear, New York Times, July 19, 2009